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## SOCIALISM AS A CURE FOR UNEMPLOYMENT

BY JOHN SPARGO,

Author of *Socialism*.

The problem of unemployment is co-extensive with the capitalist system. Wherever the capitalist economy prevails we find the problem of unemployment. Even in times of industrial expansion and prosperity there is always a surplus of available labor in some places and some occupations, though there may be a deficit in other places and other occupations. Never at any time has the capitalist economy of any country provided a job for every worker and a worker for every job.

The presence of considerable masses of unemployed workers is essential to the capitalist system. The battalions of workers out of employment constitute the reserve army of the industrial system. Without a safe margin of available unemployed labor the whole edifice of capitalist society would totter and fall. That this is true hardly needs demonstration. One has only to consider what results must inevitably follow the complete absorption of the labor supply, so that not a single worker remained unemployed. Given such a condition, there would be no effective check upon the workers. In the struggle against the employing class in which they are engaged they would no longer be at a disadvantage. They would no longer fear the competition of unemployed workers ready to take their jobs. They could and would dictate their own terms. A virtual dictatorship by the proletariat would result. It is the consciousness that other workers to take their places are available which sets definite and sharp limits to the demands of the workers under the present industrial system.

But if a certain reserve of unemployed labor is a necessary condition of capitalism, too large an amount of it is a menace. When the army of unemployed workers swells beyond the limits of safety, as it tends constantly to do, the foundations of the social order are endangered. There is an increase of poverty, of vice and of crime which threatens to engulf society. Moreover, social discontent and resentment assume alarming proportions. Then it

is that the proletariat is in danger of rising like another blind Sampson and pulling down the pillars of the entire social system. Then it is that the problem of unemployment assumes a frightful mien. Then it is that the lords of industry call upon their servitors and retainers for relief and protection. Then it is that we turn feverishly to the discussion of remedies for unemployment.

Now, it is an inherent characteristic of the capitalist system that it tends always to increase its reserve army of unemployed workers beyond the limits of safety. Inventions and improvements in industrial processes displace large numbers of workers. True, in time, adjustments are made, so that inventions and improved methods of productions are not to be opposed by enlightened workers as creators of unemployment and its attendant evils. Nevertheless, the adjustments take time and the displaced workers do become unemployed for a while, and often for a very long while.

Despite the tendency to monopoly exhibited by modern industrial society, there is still a vast amount of competition and that competition is a factor, though by no means the sole factor, in the lack of anything like a scientific organization of industry. Production is still haphazard, anarchical and unregulated. We produce certain commodities feverishly, stimulated by a rising market. Workers are overworked with lamentable ill effects, both physical and moral. Then there is a more or less sudden halt. The market is glutted. From overwork the workers pass rapidly to unemployment. From my New England garden I can look down upon the factories in the village below. Although the factories are engaged in the production of staple goods, for which the demand is more or less steady and consistent, they are subject to great fluctuations. There are periods when work is carried on night and day, when the workers are "used up" at a terrible rate; there are periods when there is very little work, when the factories are nearly silent and the workers are idle on the streets. Much of that periodic unemployment which we associate with the seasonal trades is in reality due to the same lack of scientific organization and might be averted.

Finally, capitalist industry, through its intensive exploitation of the workers, its reckless disregard of their physical well-being and its passion for "cheapness," is constantly making large numbers of workers *unemployable*. The excessive strain of modern industrial life, coupled with the bad conditions of life and labor, prematurely

exhaust great masses of workers and unfit them for remunerative employment. As soon as they have become old, or have lost their efficiency through any cause, these "unemployables" are cast upon the *debris* heaps of our cities. This aspect of the problem is the one which is most tragic and terrible of all.

Whatever palliation of the worst ills of unemployment may be possible within the limits of capitalist economy, no real solution of the problem is possible within those limits. The complete abolition of unemployment is only possible in an industrial economy fundamentally different from capitalism. That result might be attained through a system of what is called state socialism, that is to say, the substitution of the state for the capitalist and of the government ownership and operation of industry for the present method. Such a system ought not to be confused with democratic socialism. Perhaps state capitalism would be a better name for it than the term state socialism which is usually applied to it.

It is to be observed that unemployment has never, within the capitalist economy, resulted from the full and complete satisfaction of all the felt wants of the members of society. On the contrary, the greatest amount of unemployment is always coincident with the most widespread lack of commodities. We have the appalling paradox of idle shoemakers willing, able and anxious to work and a vast horde of shoeless men, women and children. Textile mills and clothing factories are idle, their operatives eager and willing to work, while hundreds of thousands need clothing. There is only one reason why the idle shoemaker is not working to make shoes for the idle textile workers and why the idle textile worker is not working to make cloth to clothe the idle shoeworkers. They lack the power to make their demands efficient. Production is not organized primarily for the purpose of supplying needs, but primarily for the purpose of affording profit to investors. Our criterion is not whether goods are needed but whether goods can be profitably sold. So long as we have production for profit rather than production for use, so long we shall have idle makers of clothing on one hand and shivering, ragged human beings on the other hand. There can be no escape from the evils of unemployment until we cease producing for profit and organize our production with the single purpose of supplying the felt needs of all the members of society.

Now socialism proposes to do that very thing. Under socialism, the anomaly of a co-existent dearth of consumption goods and an unemployed industrial army could not exist. Nor would the unemployment of workers in one city be possible while other workers in the same industry in another city were overworked. For socialism involves the reconstruction of industry upon the principle of production for use. It involves the rationalization of industry, the proper adjustment of production to the social requirements. It is entirely possible to take the element of chance out of the business of production; to know with a fair degree of precision the total volume of commodities which it is necessary to produce within a given time.

Socialism, then, implies a highly developed organization of industry which will reduce to a minimum the waste, the overlapping, the uncertainty of capitalistic production. For industrial anarchy it would substitute industrial law, and for industrial guess-work industrial science.

A socialist society would not only find useful employment for all those elements which go to make up the unemployed mass of the present system, but also for the vast numbers now employed at useless and anti-social tasks, for which a socialist economy could have no place. Most of the labor spent in advertising belongs to this category. So do the vast majority of travelling salesmen, lawyers, brokers, bankers, clerks, insurance agents, real estate agents, and so on. So do the vast majority of those employed in the manufacture of munitions of war, and in the naval and military services.<sup>1</sup>

That which would be quite impossible for capitalism with its planless production would be quite easy for socialism with its scientific organization of industry. It could carry out the Pauline injunction of denying the right to eat to the shirker who refused to work though capable of doing so. It could apply the principle, moreover, to the Silly Willies on top of the social scale as well as to the Weary Willies at the bottom.

It may be objected that this simply sets forth the possibilities

<sup>1</sup>The maintenance of a sort of international police force would, I think, be quite compatible with the spirit of socialism, and would require a relatively small amount of labor of the kind described in the latter part of the foregoing sentence.

of Utopia. That is true, of course, but it is hardly pertinent as a criticism. The socialist who points out that the problem of unemployment is insoluble within the capitalist economy, and that socialism involves the scientific organization of industry and the elimination of unemployment has sufficiently answered the question, "How will socialism do away with unemployment?"

Of course, other supplementary questions may be asked. The socialist may be asked how the ideal socialist state is to be attained, how the industrial reorganization essential to it is to be accomplished. Or he may be asked the very much more difficult question, "What would the socialists do now to cure unemployment if they were elected to power?"

This latter question is highly pertinent to the present discussion and I propose to answer it briefly. The question is not only pertinent, but highly important, for it is inconceivable that socialism will be attained suddenly, that there will be a sudden transformation from a capitalist economy to a fully developed socialist economy. If the socialist state of society is to be reached at all, it will be reached through a series of changes. It will be an evolution. And in the transition period there will be many attempts to deal with the evils of unemployment. In proportion as men recognize the impossibility of doing away with unemployment under capitalism, and gain confidence in the socialist movement and its principles, socialists will be elected to office and expected to demonstrate their capacity to deal with this baffling problem. And upon their success or failure depends, to no slight extent, the rate of future progress toward socialism.

It may not be quite fair to impose this test upon the socialist. He is entitled to say that the problem which capitalism has created and found insoluble cannot be solved within the capitalist system of production, even by socialist legislators and executives. He is fairly entitled to say that, so long as the capitalist economy prevails, such superficial modifications of the system as are possible short of a revolutionary departure, such as the acceptance of the socialist principle would be, could not make possible the abolition of unemployment.

Nevertheless, the socialist movement must be and is prepared to meet the challenge. It has a fairly well defined program. If we assume for the purpose of this discussion that the next national

campaign will result in the election of a socialist president and an effective socialist majority in Congress (a result which, I need hardly say, I do not anticipate!) we shall have a fairly clear and definite idea of the task with which the socialist administration would be confronted.

Socialism, contrary to a widespread opinion, does not of necessity imply the ownership and operation of all industries by the state. The aim of socialism is not the realization of a plan of state ownership, but rather, the entire elimination of economic exploitation. That might well be effected through voluntary coöperation in some industries, and it is considered likely that such voluntary coöperation by groups of workers will hold an important place in the socialist economy. That being the case, a socialist administration would be able to palliate the evils of unemployment and, at the same time, contribute to the upbuilding of the socialist economy, by organizing voluntary coöperative associations of producers and advancing them the necessary capital free of interest. This method, advocated long ago by Lassalle and Louis Blanc, may yet prove to be an important item in a constructive socialist program.

The socialist administration would naturally take up the task of dealing with the unfit, the unemployable. In this category are included the aged and outworn, the prematurely exhausted, the sick, the maimed and the morally defective, including the tramps, the lazy, the inebriate, the shiftless and dissolute. It is obvious that these varied groups cannot be dealt with uniformly. For dealing with the morally defective, groups named labor colonies appear to offer the only satisfactory method. The penal characteristics of these colonies could easily be varied to suit the needs of the different classes of moral defectives sent to them.

The other groups of the unemployable must be differently dealt with, of course. Pensions for the aged and outworn, and for the maimed and diseased would have to be instituted. The most progressive nations of the world have already made considerable progress in this direction. For those who are partially disabled, light work might be provided in publicly operated workshops or farm colonies with pensions to supplement the inadequate earnings.

The state would have to furnish transportation for workers who desired to move from places where there was a surplus of labor

to places with a deficit of labor. Today we have the anomaly of tens of thousands of workers in the industrial centres idle and vainly seeking employment, while in other parts of the country thousands of farmers vainly call for laborers. The unemployed worker of Pittsburgh or Jersey City does not go to Texas or Kansas, for very obvious reasons. The cost is prohibitive. The work offered is for a few weeks or months at most. If he could get free transportation to and from the job in Texas or Kansas, the worker in Pittsburgh or Jersey City would perhaps be glad of the change of employment and location. Free transportation for workers, operated in conjunction with efficient employment bureaus, would do much to adjust the supply of labor to the demand and go far toward solving the problem of the "hobo."

We have learned through the great world war that the modern state, as a military necessity, must resort to the mobilization of labor no less than to the mobilization of armies and navies. We have yet to learn that the mobilization of labor in times of peace is an economic necessity of the highest importance. The "right to work" must be established. If it can only be realized through the assumption of the control of industry by the state that step will be taken. Capitalist industry simply proves inadequate to the social need.

Of course, the socialist program would include insurance against unemployment. The time has come when we must recognize that each industry must bear the cost of maintaining its own victims. Whether industrial accidents rob the worker of a limb, or industrial processes or conditions rob him of health and strength, or industrial uncertainty robs him of his employment, economically the result is practically the same. His wage-earning capacity has been destroyed or impaired, and the industry ought to bear the burden.

Working upon these lines, the socialist administration, charged with the heavy responsibility of repairing the wrecks of capitalism, and peacefully effecting the transition to socialism, would doubtless find that the new social wine could not be contained in the old capitalist bottles. The new social spirit would require new social forms for its expression. Public ownership would more or less rapidly take the place of capitalist ownership, and as fast as the change occurred the democratization of the new collective property and



responsibility could begin. And in proportion as industry becomes socialized the importance of remedial legislation and effort will be lessened and the importance of preventive legislation and effort increased.

But while a clear-visioned socialist administration, working within the capitalist system, could do much to reduce unemployment and to mitigate its worst evils, unemployment itself will never be wholly abolished until we have attained the socialist state.